

RECORDATION NO. 25506-B FILED

MAR 18 '05 2-06 PM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

OF COUNSEL
URBAN A. LESTER

March 18, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of (Collateral) Assignment of Leases and Rents, dated as of February 2, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Full Maintenance Lease Agreement which is being filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Assignee: The Business Bank
11100 Wayzata Boulevard
Suite 150
Minnetonka, Minnesota 55305-5530

Assignor: Steel Wheels LLC
21778 Highview Avenue
Lakeville, Minnesota 55044

Mr. Vernon A. Williams
March 18, 2005
Page 2

A description of the railroad equipment covered by the enclosed document is:

60 open top hopper cars within the series STWX 51125 - STWX 51233 (formerly within the series NIHX 51125 - NIHX 51233) as specifically set forth in the schedule attached to the document.

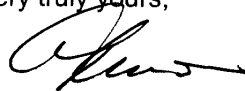
A short summary of the document to appear in the index is:

Memorandum of (Collateral) Assignment of Leases and Rents.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASES AND RENTS
BETWEEN

THE BUSINESS BANK
("SECURED PARTY")

AND

STEELWHEELS, LLC
("DEBTOR")

RECORDATION NO. 25506-B FEB

MAR 18 '05 2-06 PM

SURFACE TRANSPORTATION BOARD

February 2, 2005

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 2nd day February of 2005 by and between The Business Bank, a Minnesota corporation ("Lender"), and Steelwheels, LLC, a Minnesota Limited Liability Company ("Borrower").

WITNESSETH:

The Borrower hereby, assigns, transfers and sets over unto The Business Bank (hereinafter, the "Lender"), all of the Borrower's right, title and interest in and to the lease of Sixty (60) 3,433 c.f. 100 - Ton Hopper railcars with 204,600 lb GRL. Car Numbers STWX 51125, 51128, 51130, 51131, 51134, 51135, 51137 - 51140, 51142, 51144, 51145, 51146, 51148, 51150, 51151, 51152, 51155, 51157, 51159, 51160, 51162, 51163, 51165, 51168, 51172, 51174, 51175, 51179, 51183, 51185, 51186, 51189, 51190, 51192, 91194, - 51198, 51200, 51205, 51205, 51209, 51210, 51212, 51215, 51216, 51218, 51219, 51221, 51222, 21556, 51228, 51229, 51230, 51231, 51233 which are presently marked as: NIHX 51125, 51128, 51130, 51131, 51134, 51135, 51137 - 51140, 51142, 51144, 51145, 51146, 51148, 51150, 51151, 51152, 51155, 51157, 51159, 51160, 51162, 51163, 51165, 51168, 51172, 51174, 51175, 51179, 51183, 51185, 51186, 51189, 51190, 51192, 91194, - 51198, 51200, 51205, 51205, 51209, 51210, 51212, 51215, 51216, 51218, 51219, 51221, 51222, 21556, 51228, 51229, 51230, 51231, 51233, inclusive, as evidenced by the Full Maintenance Lease Agreement dated January 20, 2005 by and between Borrower (as Lessor) and Carolina Stalite Company, a North Carolina Limited Liability Company, (as Lessee), and any other Equipment Riders and schedules thereto (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Borrower to the Lender as provided for in the Commercial Security Agreement dated February 2, 2005 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or reincurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes, while no default exists under any of the other provisions thereof. If such payment in full is made by the Borrower while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Borrower, the Borrower shall be entitled to have this Assignment discharged.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement. This Memorandum of Assignment of Lease and Rents may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease and Rents.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

THE BUSINESS BANK
as Lender

By:

Name:



Title: Vice President

STEELWHEELS, LLC
as Borrower

By: 

Name: _____

Title: _____

STEELWHEELS, LLC
as Borrower

By: 

Name: _____

Title: Chief Financial Officer

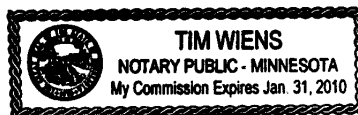
STATE OF _____)


) ss.

COUNTY OF _____)

On this 2nd day of Feb 2005, before me personally appeared Brian R. Munderloh, to me personally known, who being by me duly sworn, says that he is the Vice President of The Business Bank, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC:

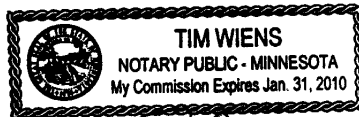


My commission expires: 

STATE OF)
) ss.
COUNTY OF)

On this 27 day of Feb, 2005, before me personally appeared David J. Fellon, to me personally known, who being by me duly sworn, says that he is the Manager of Steelwheels, LLC, a Minnesota Limited Liability Company that the foregoing instrument was signed on behalf of Steelwheels, LLC, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC:



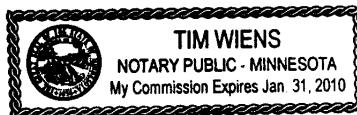
My commission expires:

A handwritten signature in cursive script, likely belonging to Tim Wiens, the notary public.

On this 27 day of Feb, 2005, before me personally appeared Timothy C. Eklund, to me personally known, who being by me duly sworn, says that he is the Chief Financial Manager of Steelwheels, LLC, a Minnesota Limited Liability Company that the foregoing instrument was signed on behalf of Steelwheels, LLC, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires:



NOTARY PUBLIC:

A handwritten signature in cursive script, likely belonging to Tim Wiens, the notary public.

My commission expires:

SCHEDULE "A"
To Memorandum of Assignment of Lease and Rents
SCHEDULE OF RAILCARS
One Page
Written Number (Number in Numeric) Units

Sixty (60) 3,433 c.f. 100 ton hopper railcars with 204,600 lb GRL. New RUNNING MARKS:

	CAR	MARK		CAR	MARK
1	STWX	51125	31	STWX	51179
2	STWX	51128	32	STWX	51183
3	STWX	51130	33	STWX	51185
4	STWX	51131	34	STWX	51186
5	STWX	51134	35	STWX	51189
6	STWX	51135	36	STWX	51190
7	STWX	51137	37	STWX	51192
8	STWX	51138	38	STWX	51194
9	STWX	51139	39	STWX	51195
10	STWX	51140	40	STWX	51196
11	STWX	51142	41	STWX	51197
12	STWX	51144	42	STWX	51198
13	STWX	51145	43	STWX	51200
14	STWX	51146	44	STWX	51205
15	STWX	51148	45	STWX	51206
16	STWX	51150	46	STWX	51209
17	STWX	51151	47	STWX	51210
18	STWX	51152	48	STWX	51212
19	STWX	51155	49	STWX	51215
20	STWX	51156	50	STWX	51216
21	STWX	51157	51	STWX	51218
22	STWX	51159	52	STWX	51219
23	STWX	51160	53	STWX	51221
24	STWX	51162	54	STWX	51222
25	STWX	51163	55	STWX	51226
26	STWX	51165	56	STWX	51228
27	STWX	51168	57	STWX	51229
28	STWX	51172	58	STWX	51230
29	STWX	51174	59	STWX	51231
30	STWX	51175	60	STWX	51233

Present RUNNING MARKS:

	CAR	MARK
1	NIHX	51125
2	NIHX	51128
3	NIHX	51130
4	NIHX	51131
5	NIHX	51134
6	NIHX	51135
7	NIHX	51137
8	NIHX	51138
9	NIHX	51139
10	NIHX	51140
11	NIHX	51142
12	NIHX	51144
13	NIHX	51145
14	NIHX	51146
15	NIHX	51148
16	NIHX	51150
17	NIHX	51151
18	NIHX	51152
19	NIHX	51155
20	NIHX	51156
21	NIHX	51157
22	NIHX	51159
23	NIHX	51160
24	NIHX	51162
25	NIHX	51163
26	NIHX	51165
27	NIHX	51168
28	NIHX	51172
29	NIHX	51174
30	NIHX	51175

	CAR	MARK
31	NIHX	51179
32	NIHX	51183
33	NIHX	51185
34	NIHX	51186
35	NIHX	51189
36	NIHX	51190
37	NIHX	51192
38	NIHX	51194
39	NIHX	51195
40	NIHX	51196
41	NIHX	51197
42	NIHX	51198
43	NIHX	51200
44	NIHX	51205
45	NIHX	51206
46	NIHX	51209
47	NIHX	51210
48	NIHX	51212
49	NIHX	51215
50	NIHX	51216
51	NIHX	51218
52	NIHX	51219
53	NIHX	51221
54	NIHX	51222
55	NIHX	51226
56	NIHX	51228
57	NIHX	51229
58	NIHX	51230
59	NIHX	51231
60	NIHX	51233